

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2020



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Portfolio Manager

June performance was 4.1% compared to a 5.3% return for the NZX 50 index and a 2.6% return for the ASX 200 index. Looking at the Fund's performance, it has been a pleasing recovery since the March lows driven by COVID-19. The Fund is now up 0.3% year to date, while the Fund's benchmark is down 5.1%. The recovery has primarily been driven by stock selection with three standout contributors: Fisher & Paykel Healthcare (+60.4%), a2 Milk (+34.4%) and Afterpay (+108.3%). All have been beneficiaries of COVID-19, seeing accelerated adoption of their products by consumers.

The share prices of many other companies in the market are still down over 20%, reflecting the potentially difficult period ahead. Fisher & Paykel Healthcare was the standout performer in June. The company reported its financial result at the end of the month, it indicated that the virus has been a game changing marketing event for the company. Awareness of its key respiratory products, Optiflow and Airvo, has grown substantially due to their use as a front-line treatment for COVID-19 patients in hospitals across the globe. The virus has had the effect of lifting penetration and pulling forward several years of growth. Elsewhere in June we reduced holdings in several companies exposed to the local economy (like Fletcher Building) after the market became more optimistic of a sharp earnings recovery post COVID-19. The Fund also participated in an opportunistic capital raising by Infratil. The company has a relatively defensive portfolio of businesses which are likely perform strongly regardless of how the virus plays out from here. We expect the local equity markets to remain volatile in the coming months. While real time indicators of economic activity continue to improve, we expect some caution in the outlook statements from companies in the August reporting season.

The range of outcomes for company earnings in the year ahead still remains very wide. Irrespective of short-term market performance, long-term returns will be heavily influenced by our stock selection as it has been in the first six months of the year. That is our ability to position the Fund in companies that can sustain earnings growth at above average rates (like a2 Milk, Xero and Fisher & Paykel Healthcare) and avoid where we see stretched balance sheets, earnings or valuation risk.

To view Milford's July 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

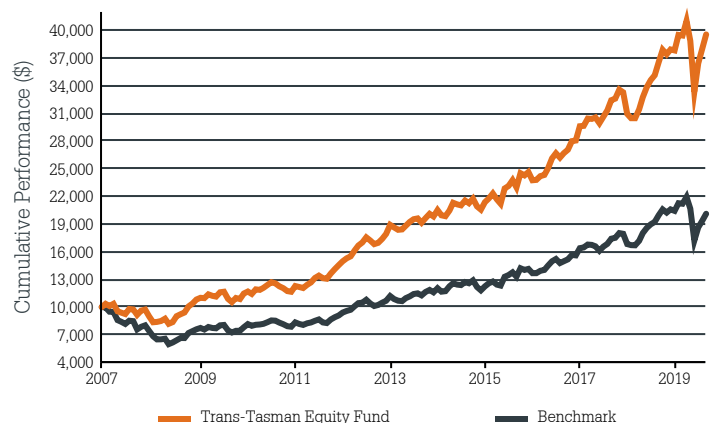
External Ratings



Milford Trans-Tasman Equity Fund received a Morningstar Analyst Rating™ of 'Silver' on 13-03-2019

Cumulative Fund Performance

(after fees and before tax)



Assumes the growth of \$10,000 invested at the Fund's inception date, and assumes reinvestment of distribution.

Key Fund Facts

Objective ¹	Capital growth by out-performing a mix of two relevant share market indices over a minimum of five years
Description	Primarily invests in Australasian equities
Target Allocation	5% Income Assets / 95% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$472.3 M
Buy-sell Spread	None
Inception Date	1 October 2007
Current Distribution	1.5 cents per unit (Quarterly)
Benchmark	50% x S&P/ASX 200 Accumulation Index (100% NZD-hedged) + 50% x S&P/NZX 50 Gross Index
Base Fund Fee ²	1.05%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees ³	1.05%
Risk Indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 30 June 2020⁴

Unit Price: \$3.2074

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Trans-Tasman Equity Fund (Gross Of Tax)	4.07%	18.67%	8.30%	14.01%	13.22%	11.39%
After Tax 10.50%	4.05%	18.80%	8.16%	13.71%	12.81%	10.95%
After Tax 17.50%	4.03%	18.89%	8.06%	13.51%	12.54%	10.72%
After Tax 28.00%	4.00%	19.02%	7.92%	13.22%	12.14%	10.33%
Benchmark	3.92%	16.88%	0.84%	10.35%	9.84%	5.64%

Top Security Holdings

Holdings	% of Fund's NAV
a2 Milk Company	9.54%
Fisher & Paykel Healthcare	9.46%
CSL	5.33%
Xero	3.65%
Mainfreight	3.39%
Infratil	3.09%
Spark New Zealand	3.09%
Ryman Healthcare	2.80%
BHP Group	2.75%
Auckland Airport	2.55%

Current Asset Allocation

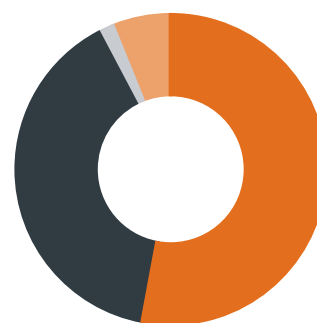
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	6.12%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	49.92%	47.50%
Australian Equities	43.96%	47.50%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 8.09%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Exposure

Allocation	Weight %
Health Care	21.88%
Consumer Staples	12.20%
Financials	12.19%
Industrials	9.73%
Materials	9.38%
Utilities	8.12%
Information Technology	7.11%
Communication Services	4.72%
Other Sectors	8.55%
Cash and Other	6.12%

Region Exposure



■ New Zealand 52.92%
 ■ Australia 39.35%
 ■ International 1.61%
 ■ Cash and Other 6.12%

1. After the base fund fee but before tax and before the performance fee. 2. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 3. The Total Fund Fees comprise the Base Fund Fee and any estimated Performance Fee. Please refer to the Product Disclosure Statement for more information as to how these are calculated. 4. Assumes the reinvestment of distributions. Please note past performance is not a guarantee of future returns.

Please refer to the 'Glossary for the Monthly Fact Sheet' at milfordasset.com/fact-sheet for more information about the data published within this document.

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